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BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 95-1219-E - ORDER NO. 96-135  
FEBRUARY 29, 1996

IN RE: Application of Carolina Power & Light ) ORDER APPROVING  
Company for Approval of Proposed ) REVISED LINE  
Revised Line Extension Plan E-26. ) EXTENSION PLAN

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Carolina Power & Light Company (CP&L) for approval of its proposed Line Extension Plan E-26 (Plan E-26) .

According to the Application, Line Extension Plan E-26 is a revision to CP&L's currently effective Line Extension Plan E-20 (Plan E-20). The proposed revisions are in the following areas: Abnormal Installation Costs, Primary Line Extensions, Riser Fee for Underground Single-Phase Secondary Service from an Overhead Source, Non-Permanent Residences, Temporary Services Charges, and other proposed changes to clarify the intent of the Plan.

CP&L summarizes the major changes in the proposed Plan E-26 as follows:

(a) Abnormal Installation Costs - CP&L sometimes incurs excessive line extension costs because physical obstructions or adverse conditions preclude the use of standard construction methods, require excessive labor, or result in design costs or construction methods that exceed CP&L's standard engineering

design. Examples include rock removal by blasting, excessive hand digging, installing conduit under existing pavement, abnormal compaction requirements, steep slopes, and special installation materials for underground electric lines. The present Plan E-20 does not specifically provide for charging such costs to the party requesting the electric line extension. The proposed Plan E-26 will require the party requesting the extension to pay for these abnormal installation costs.

(b) Primary Line Extensions - CP&L's existing Plan 20 provides the least cost single-phase primary extensions to permanently-occupied residences at no cost. If the customer requests a single-phase primary extension by other than the least cost method, the customer charge is based on the Construction Cost (CC) minus the Revenue Credit (RC), but not more than the difference in the CC between the customer's request and the least cost method. Customer charges for other residential dwellings are based on the CC minus the RC. Under Plan E-20, the RC is, in all cases, determined by estimating two years of revenue at existing rates minus 2.005 cents per kWh. The proposed Plan E-26 would subject primary extensions (including permanently-occupied residences) to the CC minus RC revenue test. However, the RC for line extensions to individual residential customers will be based on five years of revenue (compared with two years for all other types of customers), and the cost of overhead primary extensions along dedicated public roads outside the boundary of residential real estate developments will be excluded from CC. While some

residential customers requesting long primary line extensions to homesites on extremely large or remote tracts of land may see an increase in costs for the line extension, others with somewhat shorter extensions may see a decrease in costs. The overall amount collected by CP&L for primary line extensions from customers is estimated to be the same under Plan E-26 as is currently collected under Plan E-20.

(c) Riser Fee for Underground Single-Phase Secondary Service from and Overhead Source - Under Plan E-20, there is no charge for underground single-phase secondary service, regardless of whether the source is overhead or underground. Under the proposed Plan E-26, if a customer requests underground single-phase secondary service when CP&L's nearest secondary facilities are overhead, the customer will pay \$158.00, which covers the cost of installing the necessary hardware on the source pole to connect overhead to underground facilities, as compared to connecting to underground source facilities. The cost of the riser is a major contributor to underground single-phase secondary service.

(d) Non-permanent Residence - CP&L presently categorizes residence as "permanently occupied" or "non-permanently occupied" for determining customer payments for primary line extensions. The revisions in Plan E-26 discussed above eliminate the need to consider occupancy in the future. A new category has been created, however, for "non-permanent manufactured homes" installed outside mobile home parks, which will be eligible to receive overhead single-phase 120/240 volt service at no cost provided the

service requires no more than the installation of one secondary service pole and/or a transformer in addition to an overhead 120/240 volt service to the normal point of delivery. If primary, underground, or relocation of any facilities is required, the customer would pay the CC plus any abnormal installation costs. This should protect CP&L's other customers from bearing excessive line extension costs to serve those manufactured homes which are most subject to relocation, and will reduce CP&L's investment in facilities which must be salvaged or abandoned when manufactured homes outside of mobile home parks relocate.

(e) Temporary Services Charges - Under Plan E-20, temporary service customers are charged CP&L's CC. Under proposed Plan E-26, the construction costs for the most often requested types of temporary service installations have been determined and specifically stated in Plan E-26. These customers will pay \$47.00 plus \$0.31 per foot of service length for overhead single-phase secondary temporary service extensions, and \$74.00 for underground single-phase secondary temporary service extensions of up to five feet. Customer payments for other temporary line extensions will continue to be based on individual calculations of the CC.

CP&L informs the Commission that the revisions are prompted by changes in customer priorities and concerns and that CP&L's goal is to make Plan E more efficient and flexible, easier to administer, easier for customers to understand, and more equitable by better assigning excessive line extension costs to those who impose those costs. CP&L also offers that Plan E-26 will be more

"user friendly" by offering more specifically stated charges and by improving the wording of policy statements, both of which should help to alleviate complaints and misunderstandings and to encourage customers to select the least cost options for line extensions.

By letter dated November 28, 1995, the Commission's Executive Director instructed CP&L to publish a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. CP&L complied with this instruction and submitted Affidavits of Publication as proof of CP&L's compliance. Additionally, CP&L submitted certification that CP&L provided the Notice of Filing to its retail customers in South Carolina in the form of a bill insert. No Protests or Petitions to Intervene were received by the Commission.

Upon consideration of this matter, the Commission believes, and so finds that the proposed revisions are reasonable and in the public interest, and therefore concludes that CP&L's Line Extension Plan E-26 should be, and hereby is, approved.

IT IS THEREFORE ORDERED THAT:

1. CP&L's Line Extension Plan E-26 is approved.
2. The effective date of the changes shall be the date of this Order.

3. CP&L shall file an original and ten (10) copies of the approved tariff revisions within ten (10) days of receipt of this Order.

4. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)